



Office of the Mayor

NEWS RELEASE

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City pledges \$1 million to west-side Kroc Center

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With word that the Campaign for a Kroc Center in Northern Indiana is about halfway to its \$10 million fund-raising goal, the City of South Bend is doing its part and Mayor Stephen J. Luecke is encouraging residents to do the same.

Luecke announced this morning that City of South Bend will give \$1 million in unspent Community and Economic Development program funds to support the effort to create a Ray and Joan Kroc Salvation Army Corps Community Center on the city's west side at Western Avenue and Chapin Street. A \$40 million gift from Joan Kroc, heir to the McDonald's fortune, will create a world-class youth and family center – but only if the community first can raise \$10 million to ensure the center's ongoing operation.

“A Chinese proverb says, ‘If you want one year of prosperity, grow grain. If you want 10 years of prosperity, grow trees. If you want 100 years of prosperity, grow people.’ This Kroc Center will grow young people on South Bend's west side and throughout northern Indiana into healthy, intelligent and whole adults,” Luecke said. “The Salvation Army Kroc Center will become an anchor for the neighborhood, a lifeline for its people and a beacon for spiritual, educational and recreational opportunities. This is a great opportunity for the community. We're proud to be a key partner in making this possible, and I encourage all citizens to help make this dream a reality.”

Flanked by his predecessor, former Indiana Gov. Joe Kernan, as well as former Mishawaka Mayor Bob Beutter, the Kroc Campaign co-chairs, Luecke announced the decision today as St. Joseph County Salvation Army representatives unveiled a sign marking the future home of the Kroc Center.

“This is a sign of good things to come – the opportunity of a lifetime,” said Capt. Nick Montgomery, St. Joseph County Salvation Army commander. “This puts us over the

halfway mark. When we reach our goal, The Salvation Army Kroc Center will have the resources to serve today's children, their children and their children's children for generations to come."

The City of South Bend already has donated a 9.5-acre property that includes the former Alonzo Watson Park, valued at \$237,500, as the site for the project. But Luecke said the city's additional contribution recognizes the value the city sees in the project. The city's \$1 million gift is being leveraged by another \$4 million in funds from outside St. Joseph County – a fivefold yield that results with every gift to the Kroc Campaign.

This investment also is strategic for the city because commercial entities are looking at land immediately north of the Kroc Center for potential development opportunities, according to Jeff Gibney, interim director of the city's department of community and economic development.

"We cherish the life and promise of each child. This facility will be a great blessing for our community and provide the opportunity for all our children to reach their full potential," Luecke said. "This will be a place where families are strengthened, where creativity flourishes, and where dreams are nurtured."

South Bend was among 10 Midwestern cities – the only one in Indiana – chosen to pre-qualify for a share of Joan Kroc's \$1.6 billion bequest to the Salvation Army, the largest philanthropic gift ever given to a nonprofit. Of the 10, only seven received grants.

The city has made similar contributions to other non-profit capital efforts in the past. The city's \$1 million contribution in dollars is only surpassed by the \$15.7 million in public funds that provided nearly two-thirds of the \$24.3 million renovation costs for the Morris Performing Arts Center and the Palais Royale. But the Kroc Center gift represents only 2 percent of the total project costs, where city contributions to previous projects have ranged from 6 percent to 100 percent of total project costs. They include:

- \$60,000 for the building rehab for LaCasa de Amistad Inc., 100 percent of the project's cost.
- \$83,666 for Habitat for Humanity's \$290,000 Restore facility.
- \$100,000 for the estimated \$686,315 project by EnterMission to renovate the Monroe Circle Community Center.
- \$107,103 for the Boys and Girls Club.
- \$185,000 for the North Central Indiana Food Bank's \$265,000 project.
- \$227,000 for a \$900,000 renovation and expansion of St. Margaret's House.
- \$250,000 for South Bend Civic Theater's \$4 million renovation of the former Scottish Rite building.
- \$260,000 for an expansion at the Center for the Homeless
- \$350,000 for the \$5.5 million effort to construct a new YWCA.

"The City's contribution has been critical to the success of these important projects, helping to insure quality services for our residents. Our commitment to the Kroc Center is an important component to raise the final funds for this magnificent facility," Luecke said. "The genius of this package is that not only is the building fully funded, but there also will be an endowment fund to ensure that operations and programs are sustained at the highest level."

In a news conference on the proposed 85,359-square-foot facility's site, Kroc Campaign representatives also shared details about progress on the fund-raising campaign.

The effort includes a \$30-million operating endowment and a \$20-million facility. Construction will begin in early spring 2008. The facility will open in fall 2009.

The Kroc Center will provide access to a broad range of human services under one roof. More than 125 potential programs, including several in partnership with other community organizations, are being considered. The Kroc Center will feature seven primary program areas:

- Education and life development
- Family enrichment
- Fine & performing arts
- Health & wellness
- Recreation
- Spiritual development
- Teen center

When The Salvation Army of St. Joseph County Kroc Center opens in fall 2009, it is expected to fuel business investment, increase property values and instill a renewed sense of community pride. According to figures provided by the Salvation Army, the Kroc Center will have a direct impact on the local economy of:

- \$14.5 million for construction payroll and building materials.
- \$1.86 million for furnishings, technology and miscellaneous expenses.
- \$3.25 million in design and construction fees.
- 40 new full- and part-time jobs with annual payroll and benefits starting at \$1.8 million.
- Other expenditures by the Salvation Army Kroc Center, starting at \$1.6 million.